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# World Production and Trade

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Roundup

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The Foreign Agricultural Service of the U.S. Department of Agriculture today reported the following developments in world agriculture and trade:

## GRAIN AND FEED

Despite a setback in prospects for this year's wheat crop because of drought, PAKISTAN is not expected to increase imports in 1984/85. In recent years, Pakistan has been importing 400,000 to 500,000 tons of wheat annually, with much of it from the United States. When production surged a year ago, Pakistan actually exported around 200,000 tons, principally to Iran, while adding significantly to stocks. Exports are expected to continue in 1984/85 despite the reduced crop. The likelihood of increased imports is small due to large carryover stocks from last year's crop, the bulk of which is reported to be held by the government and can be released to the marketplace as needed.

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THAI corn exports during July through May have exceeded last year's movement by about 35 percent. Data for 1983/84 indicate that the increase this year over last year's lackluster performance is primarily due to a recovery in exports to the Middle East. Thai corn exports to Saudi Arabia have continued to grow, and Kuwait and Jordan have apparently returned to the Thai market. Thailand exports about two-thirds to three-quarters of all its exports to Asian destinations. Thai July-June 1983/84 marketing year corn exports through May--at 2.7 million tons--already substantially exceed last year's total movement but are not likely to reach the 1981/82 record of 3.2 million tons.

A large 1984 corn crop is expected, which could result in increased July-June 1984/85 Thai exports. However, reports indicate that despite abundant supplies, Thailand will need to restore its export position in Japan and Taiwan in order for Thai corn exports to reach or exceed the previous record 3.2-million-ton level. Japan had been Thailand's major market, importing half a million to nearly a million tons of corn in past years. Japan and Taiwan accounted for about 450,000 tons of Thai exports in 1981/82, but dropped out of the market in 1982/83.

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THAILAND's 1984/85 rice crop is forecast at a record 18.5 million tons (rough basis), up 3 percent from last season's harvest, according to the U.S. agricultural attache in Bangkok. Depressed producer prices are expected to result in a slight reduction in rice area. However, the continuation of current good monsoon rains should permit better than average yields. The main wet season rice crop (planted from May through September) is forecast at 16.0 million tons with the off-season crop (to be planted at the end of this year and the beginning of next) projected at 2.5 million tons.

#### OILSEEDS AND PRODUCTS

CHILE produced a record 827,000 tons of fishmeal in 1983 when abnormal sea conditions related to the "El Nino" current greatly increased catch levels off Chile's northern coast. Although fishmeal export volume declined by 2 percent in 1983 to 755,000 tons, total revenue increased by 20 percent due to higher export prices. At \$307 million, fishmeal accounted for 8 percent of Chile's total export earnings in 1983.

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ARGENTINA's 1984 soybean production estimate has been raised 200,000 tons by the U.S. agricultural attache in Buenos Aires to 6.0 million tons, 45 percent above the previous record crop of 1982. Most, if not all, of the increase is expected to be exported as soybeans but this still leaves an estimated 3.7 million tons available for domestic crush. Consequently, Argentina's export forecasts for soybean meal, at 2.5 million tons, and for soybean oil, at 525,000 tons, during the April-March 1984/85 marketing year exceed the previous records by substantial margins.

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In the NETHERLANDS, Dutch soybean imports in the first half of 1983/84 fell 17.5 percent below the year-earlier level. Contributing factors were an increase of more than 55 percent in the guilder price of imported soybeans, weaker prices for competing feed ingredients, relatively high carry-in stocks from 1982/83, and lagging Soviet meal demand. Dutch soybean meal use declined by 11 percent, partly due to a 50-percent reduction in the use of manioc in feed rations.

Rapeseed and sunflowerseed oils have replaced soybean oil consumption domestically as high prices divert soybean oil into export markets. Higher soybean oil prices are improving crushing margins and should lead to some increase in soybean imports. However, South American suppliers are eroding the U.S. share of the Dutch soybean market.

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FISHMEAL EXPORTERS ORGANIZATION (FEO) COUNTRIES' output of fishmeal increased 8 percent in the first four months of 1984. However, fishmeal exports continue to lag as stocks build. The data below show production, exports and stocks in January-April 1984 up 8 percent, down 24 percent and up 53 percent, respectively. The data are as follows in 1,000 tons:

Country	-----Jan-Apr 1983-----			-----Jan-Apr 1984-----		
	Production	Exports	Ending Stocks	Production	Exports	Ending Stocks
Chile	206	168	177	204	98	223
Iceland	16	15	5	80	59	38
Norway	155	86	100	101	62	82
Peru	111	117	39	144	75	147
Total	488	386	321	529	294	490

During April, fishmeal output gained by 53 percent although exports declined by 10 percent from April 1983.

In May, fishmeal prices, basis Europe, averaged \$382 per ton, 11 percent below the same month last year. Reflecting increased fishmeal output, the fishmeal/ soybean meal price ratio declined to 1.69 compared to 1.94 a year ago.

#### DAIRY, LIVESTOCK AND POULTRY

An outbreak of Newcastle disease in Bahrain has reduced availability of eggs to the point that local merchants can only obtain three-fourths of their needs. The shortage has been compounded by the onset of the holy month of Ramadan, traditionally a peak demand period. The U.S. agricultural trade officer in Manama indicates there is a strong market opportunity for overseas suppliers of eggs in this market.

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The Court of International Trade on June 6, 1984, rejected a suit by the AUSTRALIAN Meat and Livestock Corporation seeking to prohibit the United States from concluding Voluntary Restraint Agreements limiting U.S. meat imports at levels below the 1,250-million-pound minimum specified in the 1979 Meat Import Law.

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The INTERNATIONAL TRADE COMMISSION, in a preliminary investigation published this month, has determined that there is no reasonable indication that an industry in the United States is materially injured or threatened with material injury by imports of lamb meat from NEW ZEALAND. A petition was filed on behalf of a number of U.S. lamb firms alleging that imports of lamb meat from New Zealand are being subsidized and sold in the United States at less than fair value.

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Livestock performance on state and collective farms in the SOVIET UNION continued to grow during May, but showed some signs that slower growth is likely in coming months. On a cumulative basis, meat production for the first five months of 1984 was 8 percent above the comparable period last year. However, growth for the month of May was 6.5 percent. Most of the slower growth was in the pork sector, which dropped to an 11-percent increase in May compared with a 16-percent average during the previous four months.

Poultry meat production also dropped from a four-month average of over 6 percent growth to a May level of just over 4 percent. Perhaps the best indicator of a slowdown is milk production, which averaged 4 percent growth through March but appears not to have increased in April and to have declined during May. Much of the slowdown in milk output is probably the result of less favorable spring pasture conditions than in 1983, i.e. the onset of spring was later than last year and large areas of European USSR were abnormally dry through most of May. This is reflected in the first Soviet forage harvest progress report of the season (May 28) that stated that less than half the area of hay and grass had been cut than by the comparable date in 1983.

Livestock numbers on state and collective farms continue to be at record levels. June 1 cattle numbers were reported at 98.7 million head, up nearly 2 million head from 1983. The number of cows remained unchanged. Hog numbers were reported at 60.1 million head, 1.5 million above 1983, while poultry numbers were reported at 794 million, about 15 million above 1983. Furthermore, all categories except sheep and goat numbers, which remained largely unchanged, showed a normal pattern of increase during May.

#### -COTTON AND FIBERS

The U.S. agricultural attache in Islamabad forecasts higher PAKISTANI cotton production in 1984 due to an improvement in production practices and higher support prices. Although production is not expected to meet the government's target of 4.1 million bales, output is expected to be considerably higher than last year's meager crop of 2.19 million bales. Last year's sharp drop in production (42 percent below the previous year's outturn) was due to weather and insect-related problems. This year Pakistan has agreed to provide farmers quality seed, sprayers and pesticides at a reasonable price. Moreover, the government will implement a cotton control ordinance in an attempt to destroy cotton insects.

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According to the U.S. agricultural counselor in Madrid, SPAIN's 1984/85 cotton crop is expected to rebound from last year's drought-reduced crop of 140,000 tons. Favorable support prices encouraged increased planted area and the crop is off to a good start due to favorable weather conditions. To aid harvesting, the Agricultural Credit Bank for the first time will offer farmers attractive loans for the purchase of harvesting machines, auxiliary equipment and machinery specifically used in cotton growing.

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U.S. cotton exports to WEST GERMANY increased dramatically during the 1983/84 season. During the first eight months of this marketing year, the United States accounted for almost one-fourth of total West German cotton imports, or 135,000 bales. This is in contrast to the past decade when U.S. cotton exports averaged less than 12 percent of the market. As a result, the United States is expected to replace the USSR and Turkey as the leading supplier.

Selected International Prices

Item	: June 19, 1984	: Change from	: A year
	:	: previous week	: ago
ROTTERDAM PRICES 1/	\$ per MT	\$ per bu.	\$ per MT
Wheat:			\$ per MT
Canadian No. 1 CWRS-13.5%.	N.Q.	--	--
U.S. No. 2 DNS/NS: 14%....	180.00	4.90	+1.00
U.S. No. 2 S.R.W. ....	148.00	4.03	-2.50
U.S. No. 3 H.A.D.....	185.00	5.03	-.25
Canadian No. 1 A: Durum...	197.00	5.36	-.50
Feed grains:			
U.S. No. 3 Yellow Corn....	N.Q.	N.Q.	N.Q.
Soybeans and meal:			
U.S. No. 2 Yellow.....	305.90	8.33	-4.10
Brazil 47/48% SoyaPellets	196.00	--	-4.00
U.S. 44% Soybean Meal.....	204.00	--	+1.00
U.S. FARM PRICES 3/			
Wheat.....	131.90	3.59	-1.84
Barley.....	100.13	2.18	-1.84
Corn.....	132.68	3.37	--
Sorghum.....	N.Q.	N.Q.	N.Q.
Broilers 4/.....	1148.82	--	-53.13
EC IMPORT LEVIES			
Wheat 5/.....	88.50	2.41	-1.65
Barley.....	72.80	1.59	+1.45
Corn.....	53.00	1.35	-4.30
Sorghum.....	79.00	2.00	+2.35
Broilers 4/ 6/ 8/.....	N.Q.	--	-N.Q.
EC INTERVENTION PRICES 7/			
Common wheat(feed quality)	178.50	4.86	-3.15
Bread wheat (min. quality)7/	194.10	5.28	-3.45
Barley and all			
other feed grains.....	178.50	4.86	-3.15
Broilers 4/ 6/.....	N.Q.	--	-N.Q.
EC EXPORT RESTITUTIONS (subsidies)			
Wheat .....	N.A.	--	--
Barley.....	48.05	1.05	-.55
Broilers 4/ 6/ 8/.....	N.Q.	--	-N.Q.

1/ Asking prices in U.S. dollars for imported grain and soybeans, c.i.f., Rotterdam. 2/ Hundredweight (CWT). 3/ Twelve-city average, wholesale weighted average. 4/ EC category--70 percent whole chicken. 5/ Reflects lower EC export subsidy--down to 20.000 ECU/100 bag effective 9/14/83 from 22.50 ECU/100 bag set in 2/83. 6/ F.o.b. price for R.T.C. broilers at West German border. 7/ Reference price. 8/Reflects exchange rate change and not level set by EC. N.Q.=Not quoted. N.A.=None authorized. Note: Basis July delivery.

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